



UnitedHealth GroupSM

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**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of:

Notice of Proposed Rulemaking (NPRM))
Regarding the Universal Service Support Mechanism) WC Docket No. 02-60
For Rural Healthcare)

Comments of UnitedHealth Group on the Notice of Proposed Rulemaking

UnitedHealth Group is pleased to provide the Federal Communications Commission (FCC) our comments on the Universal Support Mechanism for Rural Health Care. We believe the FCC has an enormous opportunity to provide incentives and expand the use of advanced technologies in rural areas to improve access to services and the quality of care.

UnitedHealth Group is dedicated to making our nation’s health care system work better. Recognized as America’s most innovative health care company by *Fortune* magazine, our highly-diversified and comprehensive array of health and well-being products and services empowers individuals, expands consumer choice, and strengthens patient-provider relationships. Our 80,000 employees serve the health care needs of more than 75 million individuals, develop and advance new health technologies and enhance financial and operational connectivity across the health care system.

Through OptumHealth, a UnitedHealth Group business, we support innovative program offerings, such as NowClinicSM online care and Connected Care worksite clinics. These programs facilitate convenient care delivery across the entire continuum of care – from treatment of minor acute illnesses and specialty care to managing chronic health conditions, such as diabetes. UnitedHealth Group and its businesses are investing in the use and delivery of telehealth solutions to improve access to quality health care for patients – when, where and at the time they need care.

Connected Care and NowClinic are just two components in our effort to support the building of a national telehealth system that will give patients access to physicians and specialists when in-person visits are not possible, practical or convenient.

- Connected Care combines advanced technology and health resources to greatly expand physician reach to where it's needed. With the use of advanced video, audio, medical device and health information technology, Connected Care creates a virtual yet personal experience remarkably similar to a traditional in-person visit.
- NowClinic provides people with real-time access to a licensed care provider within their state through a computer with Internet access or by using the telephone. Consumers can visit with a physician over the phone or using secure live chat – and even see the doctor if both are using a Web cam. Physicians and patients access one another on NowClinic through the Internet.

Recently, UnitedHealth Group has expanded our telemedicine capabilities and capacity by launching our clinical program in Colorado that equips three provider locations with four rural Colorado locations. We have also launched a mobile telehealth unit specifically for New Mexico, where it is difficult for rural populations to access health services. We bring the services to the patients.

Our role as a national leader in both private and public health benefits programs and services enables us to continuously foster innovative health solutions aimed at creating a modern health care system that is more accessible, affordable and personalized for all Americans. As part of our efforts to modernize the health care system, UnitedHealth Group supports providing incentives and expanding the use of telemedicine to improve care and access to it.

We appreciate the opportunity to provide our comments, which are organized into three parts:

- I. Health Infrastructure Program
- II. Eligible Health Care Providers
- III. Innovation Pilot Programs

I. Health Infrastructure Program

Facilities Ownership, IRU, or Capital Lease Requirements

The FCC proposal overall contemplates the development of technology to support advanced technology at designated facilities in which patients travel to receive medical services. NowClinic represents a scalable, broad model that allows physicians to use an Internet-based solution to connect with patients where and when they need care, such as in their own home.

Patients in rural areas especially have a challenge in accessing care due to the distance it takes to travel to a physician's office for care. For example, according to a study published in the New England Journal of Medicine, 33 percent of Americans have difficulty getting timely

appointments for routine care. While shortages of doctors, particularly primary care doctors (PCPs), are a national problem, it is more acute in rural areas. A 2005 survey conducted by the University of Washington found that there were only 55 PCPs per 100,000 residents in rural areas, but an average of 72 PCPs per 100,000 in urban areas. The National Rural Health Association estimates just 10 percent of the country's doctors practice in rural areas, but about 25 percent of the population lives there. Rural areas also have a shortage of nurses and it takes more than twice as long for EMS personnel to reach an emergency site. These problems will be exacerbated by expanded coverage as a result of the health reform law because individuals who were previously uninsured will now seek out health services.

These proposed rules do not unduly limit telemedicine practiced at a facility or other health services site where patients in a rural setting would still need to drive access care services, but the rules would be extremely problematic for a more mobile technology such as NowClinic.

Additionally, per section 49 J "Facilities Ownership, IRU or Capital Lease Requirements", the FCC proposal states that providers must own the infrastructure facilities funded by the program, have an indefeasible right of use, or have a capital lease. Since some telemedicine, such as EMRs hosted by remote servers or even Internet-based care such as NowClinic, do not require ownership or capital, the FCC proposal should clarify that providers can use these types of services and technologies through access created by the infrastructure program without meeting the ownership, IRU or capital lease requirements.

Per-Project Cap

The Commission is seeking comments on whether there should be a cap on the total amount for which a project may seek funding recognizing that total funds for the program are capped annually. UnitedHealth Group believes the FCC should pursue a waiver process whereby individual projects could be funded even if total resources exceed the cap on a case-by-case basis. This should be done for exceptional or innovative projects that serve the most number of people. Not funding these projects because they exceed an arbitrary cap would inhibit creativity and build out in the market.

Eligible Sources for Matching Funds

The health infrastructure program requires 15 percent matching funds to qualify for the 85 percent incentive. Applicants are required to identify the sources of funding and only funds from an eligible source may apply towards the matching requirement. Eligible sources of funding include not-for-profit health care providers, State grants, funding or appropriations, Federal funding, loans, grants or appropriations, or other private grants, but not including for-profit entities.

UnitedHealth Group suggests that the program would be more successful if entities applying for funds under the program could leverage private capital in a public private partnership. We do not suggest changing other requirements in the program regarding the duration of the funded projects or the facilities ownership requirements as this will protect independence and safeguard taxpayer funds. With limited resources at their disposal, the

existing Rural Pilot Program has demonstrated the problems faced by many eligible applicants in raising sufficient capital to meet the program requirements. A new solution to the underutilized program would harness private capital through the FCC program in a joint public-private partnership to promote broadband access and expanded reach in innovative services delivery.

Health IT Purposes

The FCC seeks comment on how dedicated broadband networks would be used by eligible providers for health IT to improve or provide health care delivery. Health IT refers to information driven health practices and the technologies that enable them. The FCC specifies that health IT includes billing and scheduling systems, e-care, electronic health records, telehealth and telemedicine.

We agree with this definition, and encourage the FCC to retain as broad a definition as possible when reviewing applications for infrastructure funds. Innovation in health IT will quickly make meaningless a narrow definition. We also note that billing systems provide a store of information for advanced data analytics that can help improve disease identification, treatment and population health. Likewise, practice management systems supported by a broadband network can help ease access problems that will arise as demand for services increases.

Sources of Future Support

The Commission is proposing that program participants submit a sustainability report demonstrating the project is sustainable over a reasonable period of time that is at least equal to the useful life of the funded facility. The FCC states 10 years or more may be appropriate commensurate with the investments made by the program. The Commission is also proposing to require the sustainability plan to identify over this period the commitment of participating health care providers and their ability to pay fees to make the program sustainable. We believe such a proposal will discourage program participation as few health providers will be able to attest to their ability to pay fees more than a decade into the future.

Quarterly Reporting Requirements

The FCC proposes that program participants submit quarterly reports on project milestones, including efforts to secure the 15 percent matching funds, status of the competitive bid process for telecommunication services, details on how the supported network has complied with HHS health IT guidelines or requirements, such as meaningful use, and performance measures. We believe quarterly reports will unnecessarily add to program administrative expenses and suggest reports be made on an annual basis. Most of the information suggested by the Commission should not change on a quarterly basis (securing matching funds, for example), and thus the reports would not generate useful information.

II. Eligible Health Providers

The FCC has proposed expanding support to off-site administrative office and data centers, and to not-for-profit skilled nursing facilities and renal dialysis centers. UnitedHealth Group supports these expansions. The FCC proposes that eligible providers must have at least a

51 percent ownership stake in these facilities in order to qualify. Many not-for-profit providers have contracted out both administrative and data center functions because it achieves economies of scale and allows specialization that improves efficiency. Requiring a 51 percent ownership or control requirement may very well create counterproductive incentives that could drive up costs. We suggest eliminating this requirement.

The FCC has requested comment on how to distinguish facilities that are primarily providing custodial care in a nursing setting and in recognizing entities for rural support, renal dialysis centers and facilities that provide life preserving ESRD treatment to at least 51 percent of its patients. We believe for consistency and because the concepts are generally well understood and adhered to, the FCC should use the same definition in recognizing skilled nursing facilities and renal dialysis centers that Medicare uses.

While not within the statutory scope of the FCC, we suggest one of the reasons for lack of participation in the FCC's efforts to incentivize, create and build broadband capacity is that for-profit providers are excluded under the law from participation. We note that Congress in creating the \$27 billion incentive program for meaningful use of electronic health records included not-for-profit and for-profit providers because Congress recognized many providers are for-profit. The meaningful use program is not linked, nor should it be linked, to a provider's tax status. The program provides incentives for greater adoption and use of technology that may improve quality and reduce costs, and that can be important tools in realizing the care coordination goals of the Affordable Care Act.

If the FCC's goal is to expand broadband in areas that currently lack networks, limiting participation based on a provider's tax status is counterproductive and may continue anemic participation in the Commission's efforts to expand use. We call on the Commission to encourage Congress to change the law to include Medicare recognized providers regardless of tax status in the FCC's incentive programs.

III. Innovation Pilot Programs

The FCC has requested comment on whether a portion of rural health funding should be allocated to fund innovative ideas for evaluating the existing broadband efforts or improve upon them in the future. The FCC has also requested comment on what amount should be set aside for this purpose.

We believe the FCC has a major role in sponsoring pilot programs that promote innovative ideas to expand broadband adoption and use. UnitedHealth Group supports setting aside a portion of the funds available for rural support to test these ideas and suggest the amount of funding be sufficient to design and implement multiple projects to test multiple concepts. We suggest funding the innovation ideas at a level to ensure their successful testing based upon an application process from interested parties that includes credible and specific project budgets.

IV. Conclusion

UnitedHealth Group is pleased to provide our comments on the NPRM. We believe our suggestions, if adopted, will improve rural health support for broadband and health IT, and that this will promote the goals of improved access and coordination of care.

Should you have any questions regarding our suggestions, please do not hesitate to contact me. I look forward to working with you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'David S. Wichmann', with a stylized flourish extending to the right.

David S. Wichmann
Executive Vice President, UnitedHealth Group and
President, UnitedHealth Group Operations